

Message Text

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72

ACTION ARA-20

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SUBJECT: LABOR'S POLITICAL COMMITMENT VERSUS TRADE UNION

PREROGATIVES

USCINCSO FOR POLAD

SUMMARY. LABOR LEADERSHIP IS COMING UNDER INCREASING PRESSURE FROM UNION MEMBERS WHO DEMAND THAT THEY RECEIVE MORE IMMEDIATE ECONOMIC BENEFITS THAN THEY FORESEE COMING TO THEM UNDER THE SOCIAL PACT PROVISIONS. THEIR DEMANDS ARE CREATING AN EROSION OF THE SOCIAL PACT, AND MAY WELL LEAD TO INCREASING TURMOIL WITHIN THE LABOR MOVEMENT. HOWEVER, LABOR'S UNSWERVING COMMITMENT TO PERON WILL FORESTALL SERIOUS NATIONAL PROBLEMS FOR AS LONG AS PERON REMAINS ALIVE. END SUMMARY.

1. ORGANIZED LABOR'S COMMITMENT TO SACRIFICE SOME OF ITS TRADE UNION COLLECTIVE BARGAINING PREROGATIVES IN THE INTEREST OF NATIONAL DEVELOPMENT IS IN DANGER OF BEING IGNORED OR OPENLY REPUDIATED. WORKERS ARE FINDING THE SACRIFICE TO BE EXCEEDINGLY BURDENOME, AND ARE PUTTING INCREASING PRESSURE ON THEIR LEADERS TO RE-ACTIVATE THE WORKING CLASS' PERENNIAL DEMAND FOR "MORE- LIMITED OFFICIAL USE

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NOW". ACCORDING TO MANY LABOR SOURCES, THE PRESSURE HAS REACHED

THE POINT THAT THE CURRENT LABOR LEADERSHIP MAY BE UNABLE TO SURVIVE FOR LONG IF THEY CANNOT HOLD THE LINES ON PRICES AND/OR OBTAIN POLITICALLY SIGNIFICANT "WAGE ADJUSTMENTS" IN THE CURRENT CGT/CGE/GOA DISCUSSIONS. THAT PRESSURE FROM BELOW ACCOUNTS FOR THE CGT'S UNYIELDING POSITION IN THOSE DISCUSSIONS. EVEN SIGNIFICANT WAGE ADJUSTMENTS WILL OFFER AT BEST ONLY A TEMPORARY RESPITE AS THE WORKING MAN IS CONVINCED THAT HE IS CALLED ON TO SACRIFICE FAR MORE THAN ARE THE OTHER SECTORS. THEREFORE, THE PRESSURES WILL RE-EMERGE ALMOST IMMEDIATELY.

2. ALSO INDICATIVE OF THE PROBLEM IS THE INCREASING NUMBER OF UNIONS WHICH HAVE GIVEN NOTICE OF THEIR INTENTION TO RE-OPEN COLLECTIVE BARGAINING DISCUSSIONS IN JANUARY. ALTHOUGH THE SOCIAL PACT COMMITMENT PERMITS COLLECTIVE BARGAINING ON WORKING CONDITIONS, NEGOTIATIONS FOR WAGE INCREASES ARE PROHIBITED UNDER THE PACT'S WAGE FREEZE PROVISIONS. NEVERTHELESS, SEVERAL UNIONS HAVE INDICATED THAT FURTHER WAGE ADJUSTMENTS BASED ON COL INCREASES WILL BE DEMANDED IN SECTORIAL COLLECTIVE BARGAINING SESSIONS. IN A DIRECT BREAK WITH THE PROVISIONS OF THE SOCIAL PACT, THE BANK WORKERS HAVE DECLARED THAT THEY WILL PRESS DEMANDS FOR MAJOR SALARY INCREASES SIMPLY BECAUSE "THE BANKING SECTOR CAN AFFORT TO PAY MORE". UNFORTUNATELY, FROM THE GOVERNMENT'S AND PRIVATE SECTOR'S POINT OF VIEW, THE WAGE FREEZE PROVISION HAS ALREADY BEEN ERODED BY MINLABOR OTERO, WHO AUTHORIZED SUBSTANTIAL WAGE INCREASES, ALTHOUGH OSTENSIBLY DESCRIBED AS BONUSES, TO STRIKING MINERS. THEREFORE, WORKERS EXPECT THE CURRENT LABOR LEADERSHIP TO OBTAIN NO LESS FOR THEM.

3. IT IS BECOMING INCREASINGLY EVIDENT TO THE WORKERS THAT PERON'S RETURN DID NOT BRING WITH IT AN IMMEDIATE SOLUTION TO THE COUNTRY'S INCOMES AND EMPLOYMENT PROBLEMS. THEY MAY INTELLECTUALLY ACCEPT THAT THEY WILL BE BETTER OFF IN THE LONG RUN UNDER A PRO-LABOR GOVERNMENT, BUT THEY ARE BECOMING MORE CONVINCED OF THE TRUTH OF THE ADAGE THAT ORGANIZED TRADE UNION MUSCLE PITTED AGAINST AN ANTAGONISTIC EMPLOYER BRINGS "MORE" FASTER THAN DOES HAVING TO ASK FOR IT FROM A SYMPATHETIC GOVERNMENT WHICH HAS TO CONSIDER THE NEEDS OF ALL SECTORS. SOME ARE BEGINNING TO FEEL THAT THEY MAY HAVE BARGAINED AWAY EXCESSIVE TRADE UNION PREROGATIVES FOR ILLUSORY POLITICAL ADVANTAGES.

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4. THE DISSATISFACTION MAY WELL MANIFEST ITSELF IN INCREASING TURMOIL WITHIN THE LABOR MOVEMENT. CONSEQUENTLY, LABOR LEADERSHIP MAY BE FORCED TO RESORT TO DICTATORIAL MEASURES TO ENFORCE LABOR DISCIPLINE. THE RECENTLY APPROVED LAW OF PROFESSIONAL ASSOCIATIONS GRANTS LEGAL AUTHORITY FOR SUCH ACTION SHOULD IT BECOME NECESSARY. NEVERTHELESS, THE LABORING MAN'S COMMITMENT TO PERON IS UNWAVERING, AND SERIOUS NATIONAL LEVEL PROBLEMS PROBABLY WILL NOT SURFACE WHILE HE IS STILL AT THE HELM. THE REAL TEST WILL COME WHEN HE IS NO

LONGER AROUND TO COMMAND LABOR'S ALLEGIANCE.

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